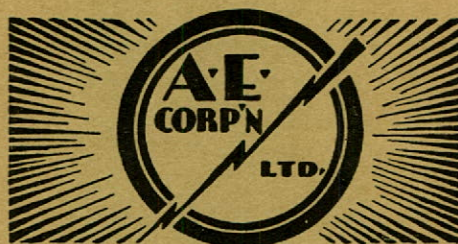


Amalgamated Electric Corporation, Limited

Montreal, Canada

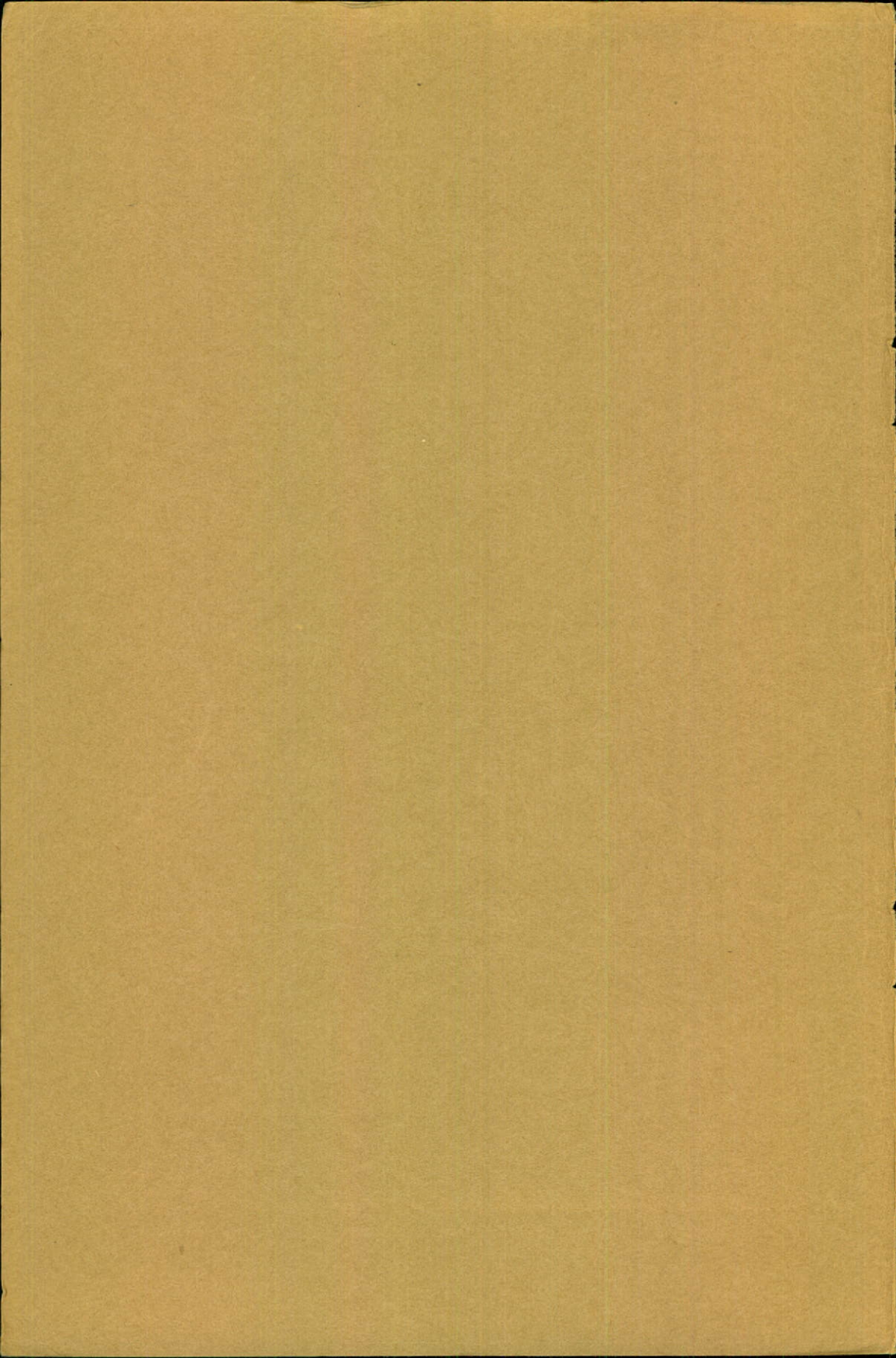


**Annual Report
1940**

**PURVIS HALL
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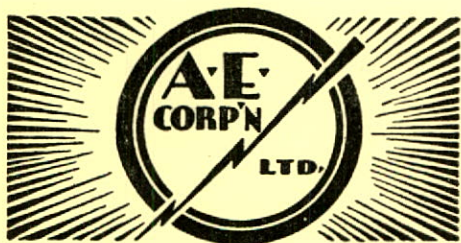
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McGILL UNIVERSITY



Amalgamated Electric Corporation, Limited

Montreal, Canada



Annual Report
1940

AMALGAMATED ELECTRIC CORPORATION,
LIMITED

and

Subsidiary Companies

BENJAMIN ELECTRIC MANUFACTURING COMPANY
of CANADA LIMITED

BULL DOG ELECTRIC PRODUCTS of CANADA LIMITED
CANADIAN CUTLER-HAMMER LIMITED

LANGLEY ELECTRIC MANUFACTURING COMPANY,
LIMITED

LANGLEY ELECTRICAL COMPANY LIMITED

LANGLEY MANUFACTURING COMPANY LIMITED

PLANTS AND WAREHOUSES AT:

TORONTO
MONTREAL
WINNIPEG
CALGARY
VANCOUVER

EXECUTIVE OFFICES:

ROOM 1600
1050 BEAVER HALL HILL
MONTREAL, QUEBEC



AMALGAMATED ELECTRIC CORPORATION, LIMITED

MONTREAL, February 7, 1941.

TO THE SHAREHOLDERS:

Your Directors submit herewith the Twelfth Annual Report of your Company and Consolidated Statements of Account for the year ended December 31, 1940.

RESULTS OF OPERATIONS:

The Operations of the Company for the year resulted in a Net Profit of \$79,800 after provision for Depreciation and Government Taxes. The effect of the increased taxes is shown by the following tabulation:

	<u>1940</u>	<u>1939</u>
Net Profit before Income and Excess		
Profits Taxes	\$131,708	\$70,178
Provision for Income and Excess		
Profits Taxes.....	51,908	13,663
Net Profit for Year.....	\$ 79,800	\$56,515

The provision for Income and Excess Profits Taxes may be subject to adjustment when the "standard profits" are determined under the provisions of the Excess Profits Tax Act.

Your Company has already made application for revised "standard profits" and has filed supplementary information in connection therewith, in accordance with the provisions of the Act. Further, the Canadian Construction Association, representing the Construction Industry as a whole, has filed a brief claiming that such industry should be classed as a depressed industry during the "standard period" 1936-1939, under the provisions of the Excess Profits Tax Act. As your Company

has been dependent on the Construction Industry for its business, an application will be made that it be treated as part of this industry for the consideration of "standard profits."

An interim dividend of twenty-five cents per share on the Company's outstanding capital stock was paid on December 26, 1940, and amounted to \$21,103. This is the first dividend on the new common stock. The last dividend paid was on the old preferred stock to December 31, 1930.

PLANT:

In order to meet the need for additional manufacturing facilities, caused by the increased demand for your Company's products to be used directly and indirectly in Canada's prosecution of the War, it was found necessary to move stocks of finished goods to rented warehouses in Toronto.

This demand also necessitated capital expenditures of \$56,507 during the year, so that after deducting equipment scrapped having a cost value of \$2,035 there was a net increase of \$54,472 in plant investment in 1940. Depreciation provided in 1940 amounted to \$68,281; this amount includes an allowance for extra wear and tear caused by abnormal operating conditions.

INVENTORIES:

The Inventories of the Company as at December 31, 1940, amounted to \$724,024 and were, in accordance with the Company's usual practice, valued at prices not exceeding cost or market, whichever was the lower. The necessary provision has been made for unusable and unsaleable merchandise.

It will be noted that your Company's investment in Merchandise at December 31, 1940 shows a substantial increase over that of the preceding year, this being necessitated by the increase in the volume of business and the difficulty in obtaining delivery of raw material. To provide funds for this investment, it has been necessary to use the surplus cash of the Company heretofore on Special Deposit.

FINANCIAL:

A comparison of the Net Working Capital as at December 31, 1939 and December 31, 1940 shows that Current Assets

have increased from \$719,019 to \$934,331 and that Current Liabilities have increased from \$94,247 to \$240,541, resulting in an increase of \$69,018 in the Net Working Capital at the end of 1940. Current Assets are equivalent to approximately 3.9 times the Current Liabilities.

EMPLOYEES:

The continued loyal and efficient service rendered by the Company's employees during a year in which the War effort caused extended working hours is acknowledged with appreciation by your Directors.

PROSPECTS:

The increase in the construction and rehabilitation of plants for the manufacture of essential War materials has substantially increased the demand for all types of electrical supplies.

Orders on hand at December 31, 1940, and enquiries received since that date indicate a continuation of these conditions for at least the early part of 1941.

By Order of the Board,

P. F. SISE,
President.

AMALGAMATED ELECTRIC

AND

SUBSIDIARY

Consolidated Balance Sheet

ASSETS

CAPITAL ASSETS:

Land, Buildings, Plant and Equipment at cost. . . .	\$799,413
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CURRENT ASSETS:

Inventories of Raw Material, Goods in Process, Finished Stock, etc. (*)	\$724,024	
Accounts Receivable (less Reserve for Doubtful Accounts)	152,180	
Dominion of Canada Bonds	2,000	
Cash	56,127	934,331

PREPAID EXPENSES:

Unexpired Insurance, Prepaid Taxes, etc.	4,764
--	-------

GOODWILL AND PATENTS	1
	<u>\$1,738,509</u>

(*) Based on Physical Inventory as at October 31, 1940, adjusted for operations to December 31, 1940, at values which do not exceed the lower of cost or market.

Approved on behalf of the Board:

P. F. SISE	}	<i>Directors.</i>
W. L. BAYER		

C CORPORATION, LIMITED
D
COMPANIES

as at December 31, 1940

LIABILITIES

CAPITAL STOCK:

Common Stock—without nominal or par value:	
Authorized—100,000 Shares	
Issued and Paid-up—84,417 Shares.....	\$844,170

CURRENT LIABILITIES:

Accounts Payable and Accrued Charges.....	\$173,997	
Provision for Taxes	66,544	240,541
RESERVES FOR DEPRECIATION.....		399,922
CAPITAL SURPLUS		138,664
EARNED SURPLUS		115,212
		<u>\$1,738,509</u>

AUDITORS' REPORT TO THE SHAREHOLDERS

MONTREAL, January 30, 1941.

We have examined the books and accounts of Amalgamated Electric Corporation, Limited, and its Subsidiary Companies as at December 31, 1940, and we have obtained all the information and explanations which we have required.

Subject to the adequacy of the provision for Income and Excess Profits Taxes, we report that, in our opinion, the above Consolidated Balance Sheet and relative Consolidated Statements of Profit and Earned Surplus, and Capital Surplus are properly drawn up so as to exhibit a true and correct view of the state of the Companies' affairs, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

WM. CARSWELL, C.A.
Treasurer.

MCDONALD, CURRIE & Co.
Chartered Accountants.

AMALGAMATED ELECTRIC CORPORATION, LIMITED

AND

SUBSIDIARY COMPANIES

Consolidated Statement of Profit and Earned Surplus For the Year Ended December 31, 1940.

OPERATING PROFIT FOR YEAR—before deducting Depreciation and other charges enumerated below.....		\$228,609
DEDUCT: Provision for Depreciation.....	\$68,281	
Remuneration of Executive Officers.....	27,673	
Directors' Fees	2,140	
Legal Fees	1,569	99,663
PROFIT FROM OPERATIONS.....		128,946
ADD: Miscellaneous Income.....		2,762
PROFIT FOR YEAR before Provision for Income and Excess Profits Taxes		131,708
DEDUCT: Provision for Income and Excess Profits Taxes		51,908
NET PROFIT carried to Earned Surplus.....		79,800
EARNED SURPLUS brought forward from previous year		56,515
		136,315
DEDUCT: Dividend Paid.....		21,103
EARNED SURPLUS—as per Consolidated Balance Sheet..		\$115,212

Consolidated Statement of Capital Surplus For the Year Ended December 31, 1940.

BALANCE AT CREDIT as at December 31, 1939.....	\$139,034
ADD: Cancellation of Fractional Share Certificates...	30
	139,064
DEDUCT: Miscellaneous Expenses re Capital Re-organization	400
BALANCE AT CREDIT as at December 31, 1940.....	\$138,664

AMALGAMATED ELECTRIC CORPORATION, LIMITED

DIRECTORS

WILLIAM L. BAYER	RICHARD O. JOHNSON
WILLIAM CARSWELL	STANLEY LANGLEY
AUBREY H. ELDER	M. P. MURPHY
HOMER M. JAQUAYS	M. K. PIKE

PAUL F. SISE

OFFICERS

WILLIAM L. BAYER	<i>Chairman of the Board</i>
PAUL F. SISE	<i>President</i>
M. P. MURPHY	<i>Vice-President and Managing Director</i>
WILLIAM CARSWELL	<i>Secretary-Treasurer</i>

STANLEY LANGLEY	<i>General Plant Manager</i>
A. V. ARMSTRONG	<i>General Sales Manager</i>

Solicitors

WAINWRIGHT, ELDER & MCDUGALL—*Montreal*

BLAKE, LASH, ANGLIN & CASSELS—*Toronto*

Transfer Agents

MONTREAL TRUST COMPANY—*Montreal*

Registrar

THE ROYAL TRUST COMPANY—*Montreal*



The Symbol of Satisfaction

ELECTRICAL SUPPLIES, ETC.

APARTMENT MAIL BOXES.

BOXES—Outlet; Switch.

CUTOOTS.

FIXTURES—Porcelain Enamel Reflectors; Vapor-Proof; Commercial Fixtures; Glazed Porcelain; Dust-Proof; Explosion-Proof.

FLOODLIGHTING.

LAMPS—Aircraft; Bed; Desk; Portable.

LIGHTING—Commercial; Cove; Portrait; Show Case; Spot; Theatre; Industrial; Porcelain Equipment.

LIGHTING CONTROL—Theatre.

PANELBOARDS—Branch Circuit and Light and Power Distribution.

PLUGS—Attachment.

RADIO OUTLETS.

RECEPTACLES—Flush; Surface; Sign; Fixture.

REFLECTORS—Porcelain Enamel; Aluminum.

ROSETTES.

SERVICE STATION FLOODLIGHTING.

SHEET METAL WORK.

SIGNALS—Industrial.

SOCKETS—Brass Shell; Porcelain; Rubber; Candle; Weatherproof; Extensions; Reducers.

SPINNINGS.

STAMPINGS.

SWITCHBOARDS—Light and Power.

SWITCHPLATES—Brass; Steel; Bakelite.

SWITCHES—Canopy; Door; Externally Operated; Fixture; Flush; Knife; Pendent; Appliance; Surface; Time; Safety; Industrial; Service.

THEATRE SWITCHBOARDS.

WIRING DEVICES.

BULL DOG PRODUCTS—Panelboards; Switchboards; Safety Switches; Industrial Breakers; Wiring Trough; Wireways; Busways.

CUTLER-HAMMER PRODUCTS—Motor Control.



